

# **EXHIBIT F**

wd: Re: Shafl/General CONFIDENTIAL ATTORNEY-CLIENT ...

Subject: [Fwd: Re: Shafl/General CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION]  
From: Adil Shafl <adil.shafl@shaflinc.com>  
Date: Wed, 04 Jun 2008 05:28:53 -0400  
To: Wendy McLaughlin <wsm@bcma.net>

Good Morning Wendy.

Please forward to Glenn.

Thank You, Adil Shafl

----- Original Message -----

Subject: Re: Shafl/General CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATION  
Date: Wed, 04 Jun 2008 05:23:26 -0400  
From: Adil Shafl <adil.shafl@shaflinc.com>  
To: William G. Tishkoff <will@tishkofflaw.com>  
CC: Glen Smith <glen@chartermi.net>, "Jennifer L. Brant" <jennifer@tishkofflaw.com>, gws@bcma.net, Barbara Shafl <barsshaf@aol.com>, Adil Shafl <adil.shafl@shaflinc.com>  
References: <4845D79B.2050305@shaflinc.com>  
<E016ACC66EA6A540AB54355BBD314F162550D4@server.tishkofflaw.local>

Dear Will,

Thank You, your email is greatly appreciated for its content and timing.

The first objective could be to obtain 85K or better 100K immediately

(I had mentioned by 10am to Rick since that's the cutoff time

for the bank to send checks back for insufficient funds)

as a LOI or MOU for an acquisition.

This will pay you and Glenn

and essential bills that are critical now.

I agree with you that

"Adil's, SI's & SII's attorneys need to be directly involved with negotiations with either Rick or BRHI's attorneys, whichever Rick prefers. Adil has now informed Rick and that step is accomplished."

I suggest that communication be started

from Glenn Smith and you (as you both see fit) to Rick or his attorneys.

Glenn will be available after 7am today  
via his cell phone (906) 250 - 0457  
office is (906) 225 - 1000

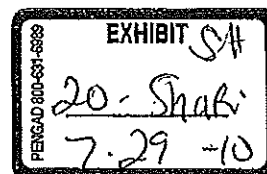
Will's cell phone (734) 604 - 1898  
office is (734) 663 - 4077

Please see my specific comments to the options you have described below.

Contact Information :

Rick Weldinger

US CELL (703) 801 - 1311 (Best Verbal)



wd: Re: Shafi/General CONFIDENTIAL ATTORNEY-CLIENT ...

INTL CELL (703) 945 - 9718  
HOME (703) 759 - 4184

[Rick@weldingerfamily.com](mailto:Rick@weldingerfamily.com)

(Best Electronic Insulated from Braintech server)

CEO & Chairman  
Braintech  
558 Innsbruck Avenue  
Great Falls, VA 22066 USA (Home)

Email with NDA has address of his attorneys under Braintech, Inc in Washington DC.

They don't have their own office in DC or Virginia yet.

He is planning on shrinking office size and personnel in Vancouver.

Please see my comments below.

Adil & Glenn,

Adil's, SI's & SII's attorneys need to be directly involved with negotiations with either Rick or BRHI's attorneys, whichever Rick prefers. Adil has now informed Rick and that step is accomplished.

I agree.

Jen and I are available to coordinate with Glenn, Jen and I likely remaining focused on SI creditor work-outs and direct negotiations for SI recovery of maximum asset valuation.

Thank You.

The viable structures to maximize value and return remain for both SI and BRHI. SI's assets are not inherently compromised, though SI's position with its creditors is severely strained.

True.

We'll have to see by Rick's response to Adil's latest email how open BRHI door remains to the acquisition options and to cash payment now for possible acquisition.

He has always wanted an acquisition and I know that he really needs SHAFI RELIABOT software solutions and my expertise for market access while Braintech has only ABB and their contract runs out in 2008 and they do not have anything new to sell and their staff is not proactively supporting the market so they don't know the robotics and vision market. In addition, ABB still has licenses on their shelf from the previous contract that remain unsold and so ABB is not going to give them a favourable renewal of contract. They are seriously concerned about that and for them time is running out. Rick, with all his government knowledge cannot use Braintech Vancouver for contracts because they are not US citizens. They have some new preliminary products announced but no installed base. With \$17 million in internal investment, they have only 4 or 5 key solution classes for automotive powertrain. Automotive is another "bad" word since not much is selling in it. So ABB does not see value in selling their software in automotive. Please see Schedule A that I provided to them yesterday. They have no knowledge or access or relationships in these markets and companies.

Here is an excerpt from an email from Rick to me on May 28 (I have almost 400 emails now).

>From : Rick  
>To : Adil  
>Date : May 28, 2008 [email excerpt]

wd: Re: Shafi/General CONFIDENTIAL ATTORNEY-CLIENT ...

"3. I still believe an acquisition with Braintech assuming your business debt and buying your stock, all brhi stock upfront to you, big leadership contract for you with monthly payments for 2.5 years of agreement, cash deposit at execution and certain of lp back to you after 2.5 years would be best transaction for all. However, I respect your wishes and am trying very hard to make this partnership work for both of us. It is complicated and it is taking longer to get right upfront then I had anticipated. Heavy lifting now, will be best in long run for sure."

Adil's comment on June 4:

Assuming business debt [including monies owed to Adil and Barbara] is about \$1.8 million.

Stock. He has offered 3.75 million shares and 250,000 options. Total : 4 million.

At current market price of about 30 cents per share that is \$1.2 million.

Of course we all know the risk in BRHI stock at present.

Even if I was able to sell stock after acquiring it

and sold 10,000 shares per day in order to not lower the sale price,

that would take 400 days or 13 months.

But this is a offer commitment he has already made.

We could improve on it.

For SI, numerous settlements are in the process of unraveling. But Jen and I, particularly with Jen's excellent debtor/creditor negotiation skills, can work to delay process and likely buy SI a decent amount of time; this will require immediate and extensive phone calls, emails and settlement modifications with creditors and their counsel. This can't go on indefinitely but some additional time should be gained within which to maintain certain operations.

I have a lot of appreciation for and faith in Jennifer's skill and dedication.

Options for SI and Adil's asset value maximization include, without limitation and utilizing negotiations by attorneys:

1. BRHI purchases stock of SI for X\$. Acquisition price includes immediate cash payment to SI from BRHI for signing of MOU and either lump sum payment, installment payments or combination of both for remainder of purchase price. Purchase of stock means BRHI takes SI with all liabilities and debts and purchase price (X\$) would have to be reduced to reflect BRHI's assumption of liabilities. That does not mean Adil does not take significant net cash payment for his stock. And BRHI could also add incentives for payment to Adil for consulting services. Adil keeps and moves forward with SII. SII is independent and insulated from old SI liabilities.

X should be 1.2 million and they can pay in 24 monthly installments of 50K each.

Debt (with everything including monies owed to Adil and Barbara) is about 1.8 million.

Total price is \$3 million. Please see attached April 8 document.

2. BRHI purchases substantially all of the assets of SI for Y\$. Acquisition price is much higher than above because here SI retains debts and liabilities. Price must be sufficient to cover all or significant portion of SI debts and liabilities. Must have market based valuation of assets that demonstrates that SI receives reasonably equivalent value for assets. After paying debts and liabilities from purchase price, Adil may potentially recover significant net cash value. SII should remain independent of SI and Adil

vd: Re: Shafi/General CONFIDENTIAL ATTORNEY-CLIENT ...

should be able to continue with both SI and SII, though BRHI will demand and be entitled to non-compete on certain areas.

Y should be 3 million.

3. BRHI purchases a portion of the assets of SI for Z\$. BRHI could buy license for Reliabot in automotive area. Or BRHI could purchase Reliabot IP and SI retains a license on Reliabot. Industries to which BRHI and SI could sell Reliabot could be divided up. Here only some of SI debt and liability paid from Z\$ purchase price but SI continues to make sales in certain industries and continues to generate sufficient cash flow to pay remaining debts and liabilities.

This won't be a clean transaction and can be mired in difficult communications as I have experienced.

4. SI files Chapter 11 bankruptcy reorganization, with notice to and consent of BRHI. Before filing SI and BRHI workout terms for BRHI purchase of Reliabot out of SI Chapter 11 reorganization. Soon after SI files Chapter 11 reorganization, Reliabot sold with bankruptcy court approval. There are downsides to Chapter 11 but benefits here include that all litigation and creditor actions against SI are stayed by Chapter 11 filing, BRHI purchases Reliabot clean of any creditor claims and creditors are legally preventing from continuing any actions relating to sale/transfer of Reliabot. SI submits reorganization plan and, if approved, debts are substantially compromised; if SI can't maintain revenue for compromised debts, Chapter 11 likely converted to Chapter 7 and remaining assets of SI liquidated by Trustee.

This won't be a clean transaction and I want to see creditors paid for what we have negotiated with them. I still have a career ahead of me whether it is another innovation company (SII), teaching, business development or a combination. My reputation will follow what is done here and I have another 20 years ahead of me.

Above options (and other realistic options that may be appropriate) should be rationally evaluated, both legally and for business goals, and timely pursued in a professional manner.

Agreed. I'll call shortly after 7am to see if Rick can send 100K before 10am. I can participate in a call to him if we collectively think that is a good opening overture.

Regards,

William G. Tishkoff  
Tishkoff & Associates PLLC  
407 North Main Street  
Ann Arbor, MI 48104  
(w) 734-663-4077  
(fx) 734-665-1613  
(c) 734-604-1898  
[will@tishkofflaw.com](mailto:will@tishkofflaw.com)  
[www.tishkofflaw.com](http://www.tishkofflaw.com)

From: Adil Shafi [<mailto:adil.shafi@shafilinc.com>]  
Sent: Tuesday, June 03, 2008 7:46 PM  
To: [GlenSmith@chartermi.net](mailto:GlenSmith@chartermi.net)  
Cc: William G. Tishkoff; Barbara Shafi; [Adil.Shafi@shafilinc.com](mailto:Adil.Shafi@shafilinc.com)  
Subject: CONFIDENTIAL : Please Read : Next Financial Steps

Glenn after we spoke, I got this email from Rick,  
and then you can see the subsequent exchange.

vd: Re: Shafi/General CONFIDENTIAL ATTORNEY-CLIENT ...

Got Will's email also and I agree,

SI software runs every day on equipment worth \$250 million,  
and with confidential Lockheed project it will become more than \$310 million.

I will call you in a few minutes,

and if you are available I would like to consult on what to do next.

Rick has indicated in the past that he would like to acquire SI.

I think it is a good idea now, and I agree with Will that it should be done  
without going cheap. My original offer (from April 8, attached)

was for about \$3 million.

The SI debt with everything added up in it is about \$1.8 million.

Rick has said that he would assume SI's debt and pay stock and/or cash.

I would prefer cash at this point for \$1.2 million in 50K per month payments.

This would make for 24 payments.

Please see exactly what I said below.

Next... Rick is waiting for me to write back.

Should I suggest that counsel be involved now and let's do this legally  
without too much of me with him? I have exchanged several hundred  
emails with Rick by now and I don't trust him.

You might negotiate with him and seek my approval for negotiation.

I just want to put this behind me now. I received another meeting confirmation

Michigan Tech today regarding teaching. My wife Barbara

has been very supportive for years and she still supports what I do

but I need to be fair to her and my children and give them financial security.

If this is all done with SI, and SII is left unscathed, then I could always do  
something with SII after I get a chance to breathe.

wd: Re: Shafi/General CONFIDENTIAL ATTORNEY-CLIENT ...

In the meantime, as Will said we should get the 85K asap (by 10am tomorrow to prevent additional checks from bouncing) and to make sure that Will and you are funded properly to pursue dealing directly with Rick. Glenn you and Will can work out how you wish to work this; since you are dealing with Braintech, and Will is taking care of SI debt issues.

Best Regards, Adil

----- Original Message -----

Subject: RE: [Fwd: still time]

Date: Tue, 3 Jun 2008 16:30:00 -0400

From: Rick Weldinger <[rick@weldingerfamily.com](mailto:rick@weldingerfamily.com)>

To: Adil Shafi <[adil.shafi@shafilnc.com](mailto:adil.shafi@shafilnc.com)>

References: <[4845A958.8010503@shafilnc.com](mailto:4845A958.8010503@shafilnc.com)>

<[102D33EF0418DD4E9188D6096396A68D3EF243@RWFEXCH.rwf.local](mailto:102D33EF0418DD4E9188D6096396A68D3EF243@RWFEXCH.rwf.local)>

<[4845AA01.3080304@shafilnc.com](mailto:4845AA01.3080304@shafilnc.com)>

...just trying to help you out.....understood.....

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From: Adil Shafi [<mailto:adil.shafi@shafilnc.com>]

Sent: Tuesday, June 03, 2008 4:31 PM

To: Rick Weldinger

Cc: [Adil.Shafi@shafilnc.com](mailto:Adil.Shafi@shafilnc.com)

Subject: Re: [Fwd: still time]

no. email only as you have maintained. I need to go out for some time but will be back later.

Can you call me so I understand?

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From: Adil Shafi [<mailto:adil.shafi@shafilnc.com>]

Sent: Tuesday, June 03, 2008 4:28 PM

To: Rick Weldinger

Cc: [Adil.Shafi@shafilnc.com](mailto:Adil.Shafi@shafilnc.com)

Subject: [Fwd: still time]

Rick,

It would need to be unsecured \$85K to SHAFI, Inc.

Comerica Bank. Tel (810) 220 - 0561 attn Kathy or Charlene

Account Number 1852338845 and ABA Number 072000096

vd: Re: Shafi/General CONFIDENTIAL ATTORNEY-CLIENT ...

This would apply to a possible acquisition only  
If it is similar in cash equivalent with monthly payments  
to what I first gave you on April 8, 2008  
Best, Adil

----- Original Message -----

**Subject:** still time

**Date:** Tue, 3 Jun 2008 16:01:26 -0400

**From:** Rick Weidinger <[rick@weidingerfamily.com](mailto:rick@weidingerfamily.com)>

**To:** Adil Shafi <[adil.shafi@shafinc.com](mailto:adil.shafi@shafinc.com)>

Adil: there is still time today to instruct a wire. Best, Rick

BRAINTECH INC-SHAFI - Schedule A Access & Acceleration 060308-1.doc

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